

RECEIVED

2011 DEC -7 P 3:12

This reply is being sent in response to the above noted comments of the USPS. They reflect information acknowledged by the USPS in the course of their comments some of which recognize errors in data USPS presented as reasons for closing the La Grande, WA Post Office. Some are responses to mis-characterizations of Petitioners statements. This reply is sent also to satisfy the deadline of December 7<sup>th</sup> for the appeal comment timeline.

1. Postmaster reassignment and vacancy of the position at the La Grande, PO, economic savings.

The USPS acknowledges now, "In the Final Determination it was noted that the Postmaster had been reassigned. This notation was in error. The Postmaster is being offered a reassignment. Although the position of Postmaster is not currently vacant, this error does not change the essential facts of this case or change the need for the Postal Service to change course in this discontinuance action." (see 11/22/2011 USPS comments p2, footnote 4)

This acknowledgement is also confirmed by a "MEMORANDUM TO THE RECORD" placed in the Administrative Record kept at the La Grande PO, but as of this writing (12/1/2011) not yet included in the Administrative Record filed with the PRC. This memo states: "The office did not become vacant on 6/30/2011. The record should reflect that the office is currently occupied. The postmaster will be offered a reassignment upon discontinuance." (see attached copy of this USPS "MEMORANDUM TO THE RECORD")

The La Grande Postmaster states he has been offered a position in the Elbe, WA PO replacing an OIC (Officer in Charge) presently holding a position vacated some time ago by the retirement of that post office's Postmaster. It is understood the Elbe OIC will be reassigned to a vacant position in another PO (believed to be Morton.) There will be no layoffs or reductions in pay. Impacted employees will retain pay levels within the USPS system. This matter has never been explained to anyone as checked off in the USPS requirements.

However, as an impact of these changes and after reassignment, the La Grande Postmaster will be required to perform 30 additional hours per week over what he currently does to accept the reassignment at the Elbe PO. He has reluctantly acknowledged a willingness to make this move to the more distant Elbe PO only in the event of closure. His preference, in spite of the greater economic benefit to him, is to remain at the La Grande PO. These extra 30 hours do not presently exist within the USPS system while the La Grande PO exists.

Since there is no vacant position, layoff, or other reduction of employee costs due to the fact that after the closure the same people will remain in the postal system drawing the same or greater pay, the impact of the closing reflects a very different cost scenario than the figures

presented by the USPS in the Final Determination. (see p15 bottom) "The record shows that no other employee would be affected by this closing." Also, the USPS has no stake in ownership in the La Grande building. The \$150 per month rent includes all costs of maintenance, repair, custodian care, utilities and other associated costs all borne by the owner of the building.

USPS figures for present costs to the USPS  
of La Grande PO

Postmaster Salary	\$ 11,345
Fringe Benefits @ 33.5%	\$ 3,801
Annual Lease Costs	<u>\$ 1,800</u>
Total annual costs	\$ 16,946

The above costs reflect a 2 hour per day  
paid workweek (6 days per week)  
12 hrs X 52= 624 hours annually  
(\$11,345 / 624= \$18.18 per hour)

Costs to USPS after closing and  
Postmaster reassignment

PM salary	\$ 37,814.40
PM benefits @ 35.5%	\$ 12,667.82
La Grande lease	<u>\$ 0.00</u>
Total Annual costs	\$ 50,482.22

The above reflects an 8 hour per day  
paid workweek (5 days per week)  
40 hrs X 52=2,080 hours annually  
(\$18.18 X 2080=\$37,814.40)  
(note: a PMR presently covers  
Saturday and relief hours at Elbe)

Actual "impact" costs of closing (using USPS figures as basis)

USPS total cost of La Grande PO	\$ 16,946
Less annual cost of replacement Service	<u>\$ 1,155</u>
Total annual savings	\$ 15,791 (see 11/22/2011 USPS comments p12)

Taking the above PM cost figure (salary & benefits) of \$50, 482.22 dividing it by 2080 = \$24.27 X 1560 (30 additional hours per week X 52 weeks) = \$37,861.20

Total additional cost to USPS after closing \$37,861.20 (see above formula explanation reflecting additional hours added to overall costs to the USPS compared to pre-closing present day costs)

Total additional cost to USPS after closing \$ 37,861.20 (represents 30 additional paid hours not existing in the system prior to closing)

Less total annual savings closing La Grande \$ 15,791 (see 11/22/2011 USPS comments p12)

Net loss to the USPS after closing \$22,070.20

These figures reflect an assumption that the La Grande Postmaster salary will stay at the lowest rate of \$18.18 an hour after reassignment. The reality in accepting a position at a higher responsibility level (Elbe post office has a rural route delivery, 140 box station and a PMR [Postmaster Relief] employee) indicate there would be an adjustment up in actual salary and benefit costs to the USPS leaving the above loss of \$22,070.20 a very conservative estimate.

Also unrecognized in all this is the loss of revenue generated by the La Grande Post Office. The La Grande Postmaster estimates that "more than 80% of the revenue of this post office comes from tourists." This amount would represent an additional loss greater than the cost of the current lease (\$1,966—2010 revenue \$2,457 X 80%) The draw remains the historic and unique nature of the building and post office which is significant during the tourist season. The Postmaster has taken advantage of this selling historical post cards and promoting purchase of postal materials to the tourists. He has been recognized by the USPS through payment of bonuses for continuing to make increases in revenue in hard economic times. (+11.9% in 2009, +9% in 2010) Elimination of the post office would significantly impact this source of revenue generated by the unique characteristics and attraction of the La Grande post office site.

The Elbe Post Office is presently much farther in the red than the La Grande Post Office.

Without the complete elimination of employee costs, the above conservative loss estimate (\$22,070.20) to the USPS system render the decision to close the La Grande Post Office as one which will increase (by more than double the estimated savings) and not decrease the USPS debt liability. To ignore the full impact of this decision is to miss a very real and significant financial matter.

## 2. Cost of Repairs

USPS states (p13-middle) "...Postal Service has determined that the cost of repairs will exceed the cost of the building" Pierce County, WA assessed values tend to run below market values, however, using the assessed building only values for 2007, 2008, & 2009 (trying to give leeway to the Postmaster statement "...about five years ago...") the construction costs for moving the 66 square foot post office to the front of the store-the only plan known to the Postmaster-would have shown costs of \$989.40 per sf, \$940.91 per sf, and \$1,369.70 per sf respectively. These are very conservative figures since they represent an assessed value, not the market value and the USPS statement clearly indicates cost would be more-not the same as- the value of the building. Although not the Taj Mahal, we believe such expenditures would make the evening news as an example of excessive government spending. We are sure any local contractor would jump for joy on those bids.

There is not a dispute over the matter characterized in the USPS statement "Petitioners state that the Postal Service should not have factored in the costs of repairing and upgrading the facility or the costs to maintain the lease." (see 11/22/2011 USPS comments p12) This statement is inaccurate. Our issue with this matter remains it is only an unjustified statement without documentation, quantification, is not supported by evidence, or developed beyond being a mere statement. It remains unknown what this matter entails, what actual costs there are, or the intent of the USPS to act. By recollection of the Postmaster, this issue is at least five years old. It has never been developed in the intervening years. It seems not to be based on current information. It does not address either the sufficiency of the original information or the difficulty, if any, in obtaining more current information. As pointed out before, even the administrative record states, "There is no building inspection report nor photos for this office." (AR item #6, p1) and (AR item #15, p1) "...occupies 66 square feet at the front of the Postmasters home, which is also a store

that sells nothing.” The PO has remained for 101 years nestled in the back of the store. See above for the “selling” part. These statements indicate a lack or absence and not an abundance of documentation of this matter.

### 3. Lease expiration

The USPS now recognizes the lease end date as 12/31/2012 (see 11/22/2011 USPS comments p12.) Our issue with this was to point out only it should not imply by use of USPS term “expires soon” a prominent matter worthy of haste to close the PO. Since the USPS has the contractual right to end the lease with 30 days notice it seemed unusual this matter would be elevated as one of the primary reasons for closing.

### 4. Cost of lease

The USPS now acknowledges “Although the current lease payment is relatively minor....” and “....amount in question is a small fraction of the overall estimate of economic savings.” (see 11/22/2011 USPS comments p13) The cost of the lease is what it is and has not been an item of dispute raised by us. That it is minor seems obvious.

### 5. Workload

Unacknowledged still in the USPS comments is the additional responsibility and workload associated with the maintenance and care of the facility which is not a part of the normal postal employee’s duties. For \$150 per month rent this daily activity both inside and outside is included. Also missing is the acknowledgement that the store hours exceed the post office hours during which time postal functions continue to be provided. This service has been long established with all postmasters of this facility stretching out a service otherwise limited by the minimal established hours. This would not be picked up in any review limited to minimum hours. The postmaster of a small post office like this becomes a “jack-of-all-trades” in order to provide a greater level of service. In doing this, Window Transaction time is only the smallest part of time consuming activities. In this post office, the maintenance of an historical meeting place has benefitted the USPS with greater sales than otherwise would be possible which are arranged to the convenience of customers.

### 6. Effect on Postal services

This is a subjective matter not likely to ever be resolved or agreed on regarding what the definition of, “USPS shall provide a maximum degree of effective and regular postal services to rural areas, communities and small towns where Post Offices are not self-sustaining.” means. It seems significant to note how the USPS continues to eviscerate the quote preferring to recognize only the vague center section “effective and regular” somehow justifying downgraded services under the guise of doing its mandated job. We would refer the USPS back to extensive discussion of this matter in the Participant Statement.

### 7. Effect on the La Grande Community

In its continued avoidance of responding to verbal and written requests for direct information about just what a transition to rural delivery would entail, the USPS has created an environment where there will be a loss of mail service from the time the post office would be

closed until required inspection, purchase and placement of a CBU or, possibly individual box locations. This lack of responsiveness appears to represent an "effective and regular" stonewalling. To date, not a single response to both verbal and written request have been received from either the USPS or the Eatonville (rural route provider) Postmaster. (In the case of the Eatonville Postmaster only questions relating to the transition to rural route were asked.) The single vague reference in the record to a "central location" does not address whether this will be on State Highway rights-of-way or on private property. Yet, the USPS talks of this in its response letters as an issue of consolidation of services. One can only conclude there has been no planning beyond closure. This lack of proactive interaction does not represent "effective" service to the customers.

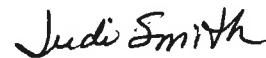
The La Grande Post Office represents the sole remaining vestige of official community identity. It is the historical reason for La Grande to be represented on a map or return address. Limiting the ability of residents to use this name in mailings will not acknowledge the importance of this matter no matter what the "interest and vitality." Saving a semblance of community identity still requires transition to rural route and is not available for any other option of services. The record is unclear regarding ZIP code retention covering both yes and no, yet the current USPS comments reflect, "...preservation of community identity by continuing the use of the La Grande name and ZIP Code in addresses." (see p10) It is also unclear if a resident preferring retention of a PO box will be allowed this connection to identity. (see also AR item 21, p1) "...to insure regular and effective service the zip code will change to 98328." (and the best one AR item 47, p4) "...in order to insure regular and effective service the Zip Code will change to the zip code." All versions of this are covered in many responses, with some contradicting each other on the same page.

8. "Petitioners suggest that standard answers are callous." (see p3, footnote 9)  
USPS should refer to item 5, p10 of the Participant Statement to see a clear definition of how we see the matter of these responses. It is unnecessary to speculate. If the USPS sees itself as "callous" it is not a shared view.

We hope the matter of this closing can be viewed in a light distant from the passions and rhetoric of making and defending positions which ultimately lead to a tunneling of views. The USPS has a right to operate its business as do we have a right to point out matters the USPS may want to seriously consider. Moles do not have much access to peripheral views.



David Smith



Judi Smith

Date : 12/2/2011

David & Judi Smith, P. O. Box 22, La Grande, WA 98348, (360) 832 3888

Attachment to  
12/2/11 Petitioner  
reply  
docket #  
A 2011-98

**MEMORANDUM TO THE RECORD:**

DISCONTINUANCE PROPOSAL FOR: LA GRANDE WA ZIP Code: 98348

Place holder for proposal pages 1 to 1

For ITEM NUMBER 1: AUTHORITY TO CONDUCT INVESTIGATION

The office did not become vacant on 6/30/2011.

The record should reflect that the office is currently occupied.

The postmaster will be offered a reassignment upon discontinuance.

Before the  
Postal Regulatory Commission  
Washington, D. C. 20268-0001

RECEIVED

2011 DEC -7 P 3:10

POSTAL REGULATORY  
COMMISSION  
OFFICE OF THE SECRETARY

In the matter of:

La Grande, WA Post Office

Docket No. A 2011-98

La Grande, WA 98348

Petitioners David & Judi Smith notice of filing  
a corrected reply to the USPS comments filed  
11/22/2011-(ERRATA)

The Petitioners hereby file the following corrections to our reply as noted above. As outlined and noted (in **bold**) on the next page, an error in calculations occurred as well as omission of one paragraph of intended example. They are errors relating to time constraints due to our inability to file electronically for which we apologize.

We regret the calculation and omission errors and submit this filing of the corrected reply with intent that it should not prejudice any party of this proceeding.

Respectfully submitted

Petitioners



David Smith



Judi Smith

Date: 12/5/11

Corrections (in bold) to data contained on page 2 & 3 of 5 in Petitioners  
reply to USPS comments filed 11/22/2011 re: docket A 2011-98 (closing  
of the La Grande, WA PO)

<u>USPS figures for present costs to the USPS of La Grande PO</u>		<u>Costs to USPS after closing and Postmaster reassignment</u>	
Postmaster Salary	\$ 11,345	PM salary	\$ 37,814.40
Fringe Benefits @ 33.5%	\$ 3,801	PM benefits @ 35.5%	\$ 12,667.82
Annual Lease Costs	<u>\$ 1,800</u>	La Grande lease	<u>\$ 0.00</u>
Total annual costs	\$ 16,946	Total Annual costs	\$ 50,482.22

The above costs reflect a 2 hour per day  
paid workweek (6 days per week)  
12 hrs X 52= 624 hours annually  
(\$11,345 / 624= \$18.18 per hour)

The above reflects an 8 hour per day  
paid workweek (5 days per week)  
40 hrs X 52=2,080 hours annually  
(\$18.18 X 2080=\$37,814.40)  
(note: a PMR presently covers  
Saturday and relief hours at Elbe)

<u>Actual "impact" costs of closing (using USPS figures as basis)</u>	
USPS total cost of La Grande PO	\$ 16,946
Less annual cost of replacement Service	<u>\$ 1,155</u>
Total annual savings	\$ 15,791 (see 11/22/2011 USPS comments p12)
	<b>1456 28</b>
Taking the above PM cost figure (salary & benefits) of \$50, 482.22 dividing it by 2080 = \$24.27 X <del>1560</del> (30 additional hours per week X 52 weeks) = <del>\$37,861.20</del> <b>\$35,337.12</b>	
	<b>\$35,337.12</b>
Total additional cost to USPS after closing	<del>\$37,861.20</del> (see above formula explanation reflecting additional hours added to overall costs to the USPS compared to pre-closing present day costs)
	<b>\$ 35,337.12 1456</b>
Total additional cost to USPS after closing	<del>\$ 37,861.20</del> (represents <del>30</del> additional paid hours not existing in the system prior to closing)
Less total annual savings closing La Grande	<u>\$ 15,791</u> (see 11/22/2011 USPS comments p12)
Net loss to the USPS after closing	<del>\$22,070.20</del>
	<b>\$19,546.12 (per year not including future COLA)</b>

These figures reflect an assumption that the La Grande Postmaster salary will stay at the lowest rate of \$18.18 an hour after reassignment. The reality in accepting a position at a higher responsibility level (Elbe post office has a rural route delivery, 140 box station and a PMR [Postmaster Relief] employee) indicate there would be an adjustment up in actual salary and benefit costs to the USPS leaving the above loss of ~~\$22,070.20~~ a very conservative estimate.  
**\$19,546.12**

Following clarification paragraph was inadvertently left out:

**EXAMPLE:** Present Elbe, WA PO OIC receives more than \$25.00 per hour. Presuming \$25.00 per hour is the appropriate rate for the level of service at the Elbe, WA PO, and acknowledging the fact the present La Grande Postmaster has been told he would have a pay increase to accept this position, the upper end of the net loss (using above formula for 1456 extra hours @the higher \$33.38-salary & fringe-\$25 per hr rate-less USPS savings) would be at least \$32,810.28. Under this scenario the yearly net loss range to USPS would be somewhere from \$19,546.12 to at least \$32,810.28 per year after closing as compared to present costs with La Grande PO open. This would depend on exactly what the intended hourly pay increase is.

Also page 3 of 5, paragraph 3, first sentence should reflect:

"Without the complete elimination of employee costs, the above conservative loss estimate (~~\$22,070.20~~ **\$19,546.12**) to the USPS system...."